

TSP

Open Season

May 15 – July 31, 2000



Something to
Smile About!

The Thrift Savings Plan is a retirement savings plan for FERS (Federal Employees' Retirement System) and CSRS (Civil Service Retirement System) employees. Because your TSP account is for your retirement, there are restrictions on withdrawing your money while you are employed. However, a major advantage of the TSP is that you pay no taxes on contributions or earnings until you withdraw your account.

If you are covered by FERS, you can contribute up to 10% of your basic pay each pay period, up to the annual Internal Revenue Service (IRS) limit (\$10,500 for 2000). Your agency matches your contributions:

- dollar for dollar on the first 3% you contribute each pay period, and
- 50 cents on the dollar for the next 2% you contribute.

Also, your agency automatically contributes an amount equal to 1% of your basic pay each pay period, whether you contribute or not.

If you are covered by CSRS, you can contribute up to 5% of your basic pay each pay period, up to the annual IRS limit (\$10,500 for 2000). You do not receive any agency contributions.

You can choose among three investment funds:

- **Government Securities Investment (G) Fund** — invested in short-term, risk-free U.S. Treasury securities that are specially issued to the TSP
- **Fixed Income Index Investment (F) Fund** — invested in a bond index fund that tracks the Lehman Brothers U.S. Aggregate (LBA) bond index
- **Common Stock Index Investment (C) Fund** — invested in a stock index fund that tracks the Standard & Poor's (S&P) 500 stock index

The annual rates of return of the three funds (after expenses) are shown below:

Year	G Fund	F Fund	C Fund
1990	8.9%	8.0%	- 3.2%
1991	8.1%	15.7%	30.8%
1992	7.2%	7.2%	7.7%
1993	6.1%	9.5%	10.1%
1994	7.2%	- 3.0%	1.3%
1995	7.0%	18.3%	37.4%
1996	6.8%	3.7%	22.8%
1997	6.8%	9.6%	33.2%
1998	5.7%	8.7%	28.4%
1999	6.0%	- 0.8%	21.0%
1990 – 1999 compound annual rates of return	7.0%	7.5%	18.2%

There is no guarantee that future rates of return will replicate historical rates. There is risk of investment loss in both the C and F Funds.

TSP returns are calculated monthly. You can get the most recent returns by calling the TSP ThriftLine at (504) 255-8777 or by visiting the TSP Web site at www.tsp.gov.

More information about the TSP

is available from your personnel office. Ask for the *Summary of the Thrift Savings Plan for Federal Employees*. Be sure to review the information in the Plan Summary before you make any TSP decisions. If you want more detailed information on TSP investment funds, ask for the *Guide to TSP Investments*. You can also get information from the TSP Web site.

Reminder to TSP participants: If your address has changed, contact your agency immediately to correct your TSP account records.

The TSP open season is your chance to start or change your contributions to your TSP account. You can also change the way your future payroll contributions are invested in the three TSP funds.

FERS and CSRS employees hired before July 1, 1999, are **already eligible** for the TSP.

New FERS employees are eligible as follows:

If you were hired:	You can choose to contribute in open season:	Your Agency Automatic (1%) Contributions will begin:
July 1, 1999 – December 31, 1999	May 15, 2000 – July 31, 2000	First full pay period in July 2000
January 1, 2000 – June 30, 2000	October 15, 2000 – December 31, 2000*	First full pay period in December 2000
July 1, 2000 – November 30, 2000	April 15, 2001 – June 30, 2001*	First full pay period in June 2001

*Note: Open season dates change as of October 2000.

If you are a rehired employee, or if you have questions about your eligibility, contact your personnel office.

Ask your personnel office for the TSP Election Form (TSP-1) or download a copy from the Forms & Publications section of the TSP Web site. (Some agencies may be using an electronic version of Form TSP-1. Check with your personnel office for guidance.) Submit your completed Form TSP-1 to your personnel office before the end of the open season. Your contributions will be made automatically from your pay each pay period, as explained on the back of Form TSP-1.

